Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

LIMITED OFFICIAL USE

PAGE 01 CARACA 00460 180337Z
ACTION ARA-14

INFO OCT-01 ISO-00 XMB-02 EB-08 COME-00 CIAE-00 INR-07
NSAE-00 TRSE-00 OMB-01 FRB-03 AID-05 NEA-10 /051 W
----------037718 180344Z /64
R 171512Z JAN 78
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 758

LIMITED OFFICIAL USE CARACAS 460

ALSO PASS EXIMBANK ATTN STEVE BROWN

E.O. 11652: N/A
TAGS: EFIN VE
SUBJECT: VENEZUELA BORROWS $178 MILLION FROM ARAB BANKS

REF: CARACAS 348

1. ACCORDING TO AN OFFICIAL ANNOUNCEMENT FROM THE MINISTRY OF FINANCE, THE GOVERNMENT OF VENEZUELA HAS SIGNED A LOAN AGREEMENT WITH A GROUP OF ARAB (OPEC MEMBER) BANKS. UNDER THE TERMS OF THE AGREEMENT,THE BANK CONSORTIUM WILL LEND TO VENEZUELA $178 MILLION (BS 765 MILLION) TO FINANCE THE PURCHASE OF THREE BUILDINGS IN CARACAS CURRENTLY OCCUPIED BY GOVERNMENT MINISTRIES AND AGENCIES,BUT OWNED BY CENTRO SIMON BOLIVAR (CSB).

2. ACCORDING TO THE PRESS ANNOUNCEMENT(AND CONFIRMED TO THE EMBASSY BY A MINISTRY OF FINANCE SOURCE) THE LOAN IS FOR SEVEN YEARS, WITH AN INTEREST RATE OF 1 PERCENT OVER LIBOR. PRINCIPAL IS TO BE REPAID IN THIRTY-FIVE EQUAL INSTALLMENTS OF $5 MILLION, AND A 36TH INSALLMENT OF $3 MILLION, BEGINNING IN 1979. THE LOAN IS PART OF THE TOTAL AUTHORIZED UNDER THE PUBLIC CREDIT LAW OF 1976.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 CARACA 00460 180337Z

3. THE BS 765 MILLION WILL PROVIDE A WELCOME INFUSION OF CASH FOR THE TROUBLE-PLAGUED CSB, WHICH RECENTLY HAD TO SUBMIT TO REORGANIZATION BECAUSE OF FINANCIAL DIFFICULTUES (SEE REFTEL). THE DEBTS OF CSB HAVE BEEN ESTIMATED TO TOTAL AS MUCH AS BS 900 MILLION, MUCH OF IT FALLING DUE IN THE NEXT TWO YEARS. THE EMBASSY HAD HEARD REPORTS THAT CSB WAS UNABLE TO MAKE PAYMENTS ON SOME OF ITS DEBT FALLING DUE DURING THE

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

THIRD QUARTER OF 1977, ALTHOUGH WE UNDERSTAND PAYMENTS HAVE NOW
RESUMED.
VAKY

LIMITED OFFICIAL USE

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, LOAN AGREEMENTS, CONSORTIUMS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978CARACA00460
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780026-0001
Format: TEL
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780157/aaaabvla.tel
Line Count: 65
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: a6d4cfe2-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 CARACAS 348
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3764797
Secure: OPEN
Status: NATIVE
Subject: VENEZUELA BORROWS $178 MILLION FROM ARAB BANKS
TAGS: EFIN, VE, XF
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/a6d4cfe2-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014